

OCT 06 1995

STATE OF ARIZONA

DEPARTMENT OF INSURANCE DEPARTMENT OF INSURANCE
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In the Matter of)	Docket No. 95-147
)	
JEFFREY ROGER LINDSEY, and)	
LEADING EDGE INSURANCE)	ORDER
MARKETING, INC.,)	
)	
Respondents.)	
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On September 14, 1995, a hearing took place in the above-referenced matter. Assistant Attorney General Gerrie Switzer appeared on behalf of the Arizona Department of Insurance ("Department"). Ron Kent Hooper appeared on behalf of Respondents Jeffrey Roger Lindsey and Leading Edge Insurance Marketing, Inc. ("Respondents").

Based upon the entire record, including all pleadings, motions, testimony, and exhibits, Administrative Law Judge Lewis D. Kowal prepared the following Findings of Fact, Conclusions of Law, and Order for consideration and approval by the Director of the Department (the "Director"). The Director adopts and enters the following Findings of Fact, Conclusions of Law and enters the following Order:

FINDINGS OF FACT

1. At all times material to this matter, Jeffrey Roger Lindsey ("Mr. Lindsey") was licensed as a life agent in the State of Arizona (license number 266040) which expired on May 31, 1995.

2. At all times material to this matter, Leading Edge Insurance Marketing, Inc. ("Leading Edge") was licensed as a life and disability agency license (license number 16700) which expired on June 30, 1995.

1 3. At all times material to this matter, Mr. Lindsey
2 was and is the President of Leading Edge and designated in its
3 insurance license to exercise its powers.

4 4. On July 5, 1994, the Arizona Corporation Commission
5 ("A.C.C.") issued a Notice of Opportunity for Hearing in Docket
6 Number S-2901-1, In the Matter of the Securities Offering By:
7 Franklin-Lord, Inc., et al. and listed Mr. Lindsey as a party in
8 that action.

9 5. On February 2, 1995, Mr. Lindsey entered into a
10 Consent Order with the A.C.C. in which Mr. Lindsey neither
11 admitted nor denied the Findings of Fact and Conclusions of Law
12 but consented to entry of an order to cease and desist from
13 violating A.R.S. §§41-1841 and 41-1991 and other sections of the
14 Securities Act of Arizona and ordered to pay an administrative
15 penalty of \$17,500.00 with \$2,500.00 to be paid upon entry of the
16 Consent Order and the balance to be paid in 36 monthly
17 installments of \$400.00 per month commencing February 1, 1995.

18 6. On or about May 15, 1992, Mr. Lindsey purchased
19 through Franklin Lord Investments, Inc. ("F.L.I.") shares of
20 Wholesome & Hearty Foods, Inc. ("W.H.E.") which were sold
21 September 15, 1992. On or about September 13, 1992, Mr. Lindsey
22 purchased through F.L.I. shares of 2 bi 2, Inc. ("2 bi 2") which
23 were later sold. The net profit to Mr. Lindsey from the purchase
24 and sale of the W.H.E. and 2 bi 2 shares was approximately
25 \$80,000.00.

26 7. Mr. Lindsey provided an out-of-state address in
27 order to purchase W.H.E. and 2 bi 2 securities and paid for them
28 with an out-of-state cashier's check. Mr. Lindsey testified that

1 when he took that action, he did not know that the securities
2 were not registered in Arizona or that his actions were in
3 violation of the Securities Law.

4 8. Mr. Lindsey's only direct business dealing with
5 F.L.I. has been the above-referenced purchase and sale of the
6 W.H.E. and 2 bi 2 securities. Franklin Lord Insurance which,
7 during the relevant time period, was owned and operated by Mr.
8 Lindsey and George Edward Looschen, Jr. received client referrals
9 from F.L.I. However, Mr. Lindsey had no direct contact with
10 F.L.I. other than as mentioned above.

11 9. Mr. Lindsey cooperated with the A.C.C. in its
12 investigation into F.L.I. and, upon learning of the securities
13 violations involved in the purchase and sale of W.H.E. and 2 bi 2
14 securities, resigned as an officer in F.L.T. and has not had any
15 further contact with F.L.I. or George Edward Looschen, Jr.

16 CONCLUSIONS OF LAW

17 1. Mr. Lindsey and Leading Edge received notice of
18 this proceeding as prescribed by A.R.S. §§20-163 and 41-1061.

19 2. The Director has jurisdiction over this matter
20 pursuant to A.R.S. §20-161.

21 3. Mr. Lindsey's activities described above is conduct
22 that constitutes a record of dishonesty in business or financial
23 matters within the meaning of A.R.S. §20-290(B)(2).

24 4. Mr. Lindsey's conduct described above constitutes
25 the existence of any cause for which original issuance or any
26 renewal of an insurance license could have been refused such that
27 Respondents' licenses may be suspended or revoked pursuant to
28 A.R.S. §§20-316(A)(1), together with 20-290(B)(2).

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COPY of the foregoing mailed/delivered
this *6th* day of October, 1995, to:

Charles R. Cohen, Deputy Director
Gregory Y. Harris, Executive Assistant Director
John Gagne, Manager, Investigations
Donna Futrell, Investigator
Maureen Catalioto, Supervisor, Licensing
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American General Life Insurance Company
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Chris Crawford
Chris Crawford *pc*

AMENDED MAILING CERTIFICATE

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COPY of the foregoing mailed/delivered
this 15th day of November, 1995, to:

Charles R. Cohen, Deputy Director
Gregory Y. Harris, Executive Assistant Director
John Gagne, Manager, Investigations
Donna Futrell, Investigator
Maureen Catalioto, Supervisor, Licensing
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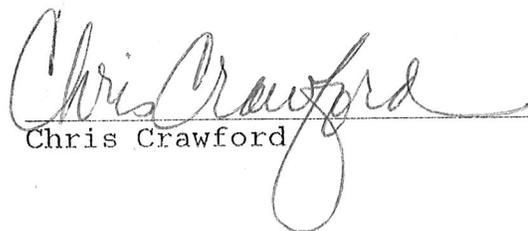
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